

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Case No. 22-11068 (JTD)
)	(Jointly Administered)
FTX TRADING LTD., <i>et al.</i> ¹)	Chapter 11
)	
Debtors.)	Re: Docket Nos. 2239, 2240
)	

**RESERVATION OF RIGHTS OF THE U.S. SECURITIES AND
EXCHANGE COMMISSION TO (A) DEBTORS' MOTION FOR ENTRY OF AN
ORDER AUTHORIZING AND APPROVING (I) GUIDELINES FOR THE SALE OR
TRANSFER OF CERTAIN DIGITAL ASSETS, (II) THE SALE OR TRANSFER OF
SUCH DIGITAL ASSETS IN ACCORDANCE WITH SUCH GUIDELINES FREE
AND CLEAR OF ANY LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES,
(III) THE DEBTORS' ENTRY INTO, AND PERFORMANCE UNDER,
POSTPETITION HEDGING ARRANGEMENTS, INCLUDING
GRANTING LIENS AND SUPERPRIORITY ADMINISTRATIVE
EXPENSE CLAIMS IN CONNECTION THEREWITH AND
(IV) THE DEBTORS TO STAKE CERTAIN DIGITAL ASSETS; AND
(B) DEBTORS' MOTION FOR AN ORDER AUTHORIZING
FTX TRADING LTD. TO ENTER INTO, AND PERFORM ITS
OBLIGATIONS UNDER, THE INVESTMENT SERVICES AGREEMENT**

The U.S. Securities and Exchange Commission (“SEC”) files this reservation of rights with respect to (A) *Debtors' Motion For Entry Of An Order Authorizing And Approving (I) Guidelines For The Sale Or Transfer Of Certain Digital Assets, (II) The Sale Or Transfer Of Such Digital Assets In Accordance With Such Guidelines Free And Clear Of Any Liens, Claims, Interests And Encumbrances, (III) The Debtors' Entry Into, And Performance Under, Postpetition Hedging Arrangements, Including Granting Liens And Superpriority Administrative*

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

Expense Claims In Connection Therewith And (IV) The Debtors To Stake Certain Digital Assets
 [Docket No. 2239] (the “**Guidelines Motion**”); and (B) *Debtors’ Motion For An Order*
Authorizing FTX Trading Ltd. To Enter Into, And Perform Its Obligations Under, The Investment
Services Agreement [Docket No. 2240] (the “**Galaxy Motion**” and, together with the Guidelines
 Motion, the “**Motions**”).²

BACKGROUND

1. The SEC is the federal agency responsible for regulating the U.S. securities markets, protecting investors, and enforcing the federal securities laws. On December 13, 2022 and December 21, 2022, the SEC filed complaints against the founders of FTX Trading Ltd. (“FTX”) and its former insiders, alleging they engaged in a scheme to defraud equity investors in FTX, at the same time that they were also defrauding the platform’s customers.³

2. On August 23, 2023, the Debtors filed the Guidelines Motion, which provides procedures for the Debtors to monetize “Digital Assets,” which include “coins, tokens and other digital assets.” Guidelines Motion, at 2.

3. On August 24, 2023, the Debtors filed the Galaxy Motion. The Debtors seek to use Galaxy Digital Capital Management LP as an investment advisor to facilitate their monetization program under the Guidelines Motion. Galaxy Motion, at 4; Guidelines Motion, at 3.

4. The Debtors’ portfolio contains crypto asset securities which the Debtors may seek to monetize pursuant to the Guidelines Motion.

²Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement Motion.

³ SEC v. Bankman-Fried, No. 1:22-cv-10501 (S.D.N.Y.); SEC v. Ellison, No. 1:22-cv-10794 (S.D.N.Y.).

RESERVATION OF RIGHTS

5. The SEC staff has reviewed the Motions and does not object to the terms thereof.

In not objecting, the SEC is not opining as to the legality, under the federal securities laws, of the transactions outlined in the Motions, and reserves its rights to challenge transactions involving crypto assets.

Dated: Washington, DC
September 6, 2023

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

By: /s/ Therese A. Scheuer

Therese A. Scheuer
Senior Trial Counsel
100 F. Street, NE
Washington, DC 20549
Phone: (202) 551-6029
Fax: (202) 772-9317
scheuert@sec.gov

William M. Uptegrove
Senior Trial Counsel
Atlanta Regional Office
950 East Paces Ferry Road, N.E., Suite 900
Atlanta, GA 30326
Phone: (404) 842-5765
UptegroveW@sec.gov

Of Counsel: Alistaire Bambach

CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of September, 2023, a true and correct copy of the foregoing Reservation of Rights was furnished to all ECF Participants via the CM/ECF system.

/s/ Therese A. Scheuer

Therese A. Scheuer